

NEBRASKA ADMINISTRATIVE CODE

Title 350 – Nebraska Department of Revenue, Property Assessment Division

Chapter 50 – Assessment Process Regulations

Effective Date 3/15/09

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REG-50-001 DEFINITIONS

001.01 Actual value shall mean the market value or fair market value of real property in the ordinary course of trade. It is the most probable price expressed in terms of money that a property will bring if exposed for sale in the open market or in an arm's-length transaction between a willing seller and a willing buyer, both of whom are knowledgeable concerning all the uses to which the real property is adapted and for which it is capable of being used. In analyzing the uses and restrictions, the analysis shall include a consideration of the full description of the physical characteristics of the property and the property rights being valued. Actual value may be determined using professionally accepted mass appraisal methods, including, but not limited, to the (1) sales comparison approach, (2) income approach, and (3) cost approach.

001.02 Appraisal shall mean a written opinion of value of real property. An appraisal shall set forth an opinion of value of an adequately described property, as of a specified date, and shall be supported by an analysis of relevant data. For the purposes of property taxation, appraisal, reappraisal, and mass appraisal are interchangeable terms; except, reappraisal may mean a subsequent or second appraisal needed to correct an error in an appraisal. For purposes of these regulations the term appraisal shall be used, unless the context requires otherwise. All appraisals shall meet the standards as promulgated by the Appraisal Standards Board of the Appraisal Foundation in the *Uniform Standards of Professional Appraisal Practice*, effective as currently updated, including Standard 6, Mass Appraisal and Reporting in conjunction with existing "Statements on Appraisal Standards" and "Advisory Opinions". A copy of the *Uniform Standards of Professional Appraisal Practice* is on file at the office of the Tax Commissioner.

001.03 Appraisal process shall mean a systematic analysis of the factors that affect the value of real property. It is a documented, orderly program by which the problem is defined, the work necessary to solve the problem is planned, and the necessary data gathered, classified, analyzed, and interpreted into a written opinion of value. In the assessment process, it is the function for determining assessed value. For purposes of property taxation, it shall include the grouping of similar properties so that all properties within a class or subclass are collectively examined and valued.

001.04 Appraisal firm shall mean any individual, corporation, partnership or joint venture that contracts with a county to undertake an appraisal, an appraisal update, or an appraisal maintenance project. The requirements set out in REG-50-004, Requirements for Appraisal Contracts, shall be complied with by any firm desiring to provide appraisal services.

001.05 Appraisal update shall mean an appraisal in which all or part of the data collection process is determined to be unnecessary (a limited appraisal) but there is a need to adjust values on all of the properties within a defined class or subclass. This includes, but is not limited to recalibration of a market model or cost model involving implementation of more current cost data or adjustments to value by a percentage, and applied uniformly to all property within a defined class or subclass of property.

001.06 Appraisal maintenance, or pick-up work, is the collection of specific data relating to new construction, remodeling, additions, alterations, and removals of existing buildings or structures. Pick-up work may also include: changes in zoning, use or annexation; the addition, deletion or change in characteristics of encumbrances such as leases, easements or special programs (eg., Conservation Reserve Program); and the addition, deletion or change in characteristics external to the property, including, but not limited to, amenities such as paving, utilities and proximity to favorable or unfavorable influences, such as schools, libraries, city dumps, sewage treatment facilities, or meatpacking plants. The data shall be gathered in a systematic process so that all properties are treated uniformly. The value of property analyzed in an appraisal maintenance project shall be equalized with comparable properties.

001.07 Appraiser shall mean a person who estimates value and, more specifically for this regulation, one who possesses the necessary qualifications, ability, and experience to execute or direct the estimation of value of real property.

001.08 Appraiser assistant includes field data collector, apprentice appraiser, and appraiser trainee and shall mean a person who performs tasks of data gathering, organizing, and preparation, but who does not act in the capacity of an appraiser. An appraiser assistant shall be directed by and under the supervision of a qualified appraiser or assessor and shall not be relied upon to make independent valuation judgments.

001.09 Assessment process for real property shall mean the act of listing the description of all real property, determining its taxability, determining taxable value, and placing it on the assessment roll.

001.10 General data shall mean that data which is not specific to individual properties, including but not limited to: neighborhood characteristics, demographics, trends, factors, various maps, zoning, codes, ordinances, and any other similar data relevant to the value of the properties to be assessed.

001.11 Specific Data shall mean data which relates only to the specific parcel being appraised, including but not limited to, on-site and off-site conditions which have specific impact on each individual parcel, such as: measurements, perimeter sketches, age determination, site plans, photos, building elevation sketches, the presence or absence of utilities, street and sidewalk improvements, floor plan, room count, physical condition observations, functional condition observations, and any descriptive information necessary to develop a replacement cost new utilizing the prescribed cost manuals.

001.12 Comparative Data shall mean data which is used to compare unit values of like or competing properties such as: replacement cost estimates; local or historic costs; sales information; and rental and expense data.

001.13 Cost Approach is the approach to value which is based upon the principle of substitution that the informed purchaser would pay no more than the cost of producing a substitute property with the same utility as the subject property.

001.14 Depreciation shall mean the loss of value from deterioration and/or obsolescence. Deterioration, or physical depreciation, is evidenced by wear and tear, decay, dry rot, cracks, encrustations, or structural defects. Obsolescence is divisible into two parts: functional obsolescence may be due to poor interior design, mechanical inadequacy or overadequacy, and inadequacy or overadequacy due to size, design, etc., and is evidenced by conditions within the property; and locational obsolescence is caused by changes external to the property, such as neighborhood changes, environmental or use changes, legislation, etc.

001.15 Income Approach shall mean the approach to value which converts anticipated benefits (dollar income or amenities) to be derived from the ownership of property into a value estimate. Anticipated future income and/or reversions are discounted to a present worth figure through the capitalization process.

001.16 Sales Comparison (Market) Approach shall mean a process of analyzing sales of similar recently sold properties in order to derive an indication of the most probable sales price of the property being appraised. Market approach, market data approach, and direct sales comparison approach are synonymous terms.

001.17 Market is a set of arrangements for bringing buyers and sellers together through the price mechanism. The real estate market reflects attitudes and opinions in the minds of buyers and sellers and their actions in the market create market data.

001.18 Market Area is that geographic area or other area with defined characteristics within which similar properties are effectively competitive in the minds of buyers and sellers with other comparable property in the area.

001.19 Market Analysis is a study of general real estate market conditions that affect the competitive supply, demand, and prices for particular types of facilities or properties.

001.20 Narrative Appraisal Report shall mean a formal written document which explains and defines the results of the comparative data and which contains but is not limited to: the date of the appraisal; the certification and signature of the appraiser; the purpose of the appraisal; the qualifying conditions; information which defines the various

neighborhoods, towns, or property groups which will be considered during the appraisal process; condensation of market and income data; analysis, interpretation, and explanation of conclusions drawn from the data; explanation of the processing of the data through any of the three approaches to value used; and, any maps, plans, charts, or other data which was used to support the appraisal. In mass appraisal, a written summary report should clearly communicate the elements, results, opinions and value conclusions of the appraisal.

001.21 Referee shall mean an impartial professional appraiser or similarly qualified individual who conducts protest hearings as the representative of and under the instructions of the county board of equalization.

001.22 Appraisal or assessed value adjustment shall mean an action taken by the assessor, Tax Equalization and Review Commission or other lawful body that changes the valuation of a class or subclass of property by a percentage, and is based primarily on the analysis of an assessment sales ratio study. This contrasts to an appraisal update which is a change or model calibration based on appraisal process and rooted in the analysis of the market.

001.23 Record review is typically an office/clerical function to systematically determine if all parts of each record are complete and accurate, or to post new data to the record.

001.24 Questionnaires are review mechanisms that are mailed or distributed to targeted property owners and are typically used for the verification of sales, the discovery or verification of rental data or to update listing detail.

001.25 Telephone interviews are essentially used for the same purpose as questionnaires but are accomplished by interviewing the owner or knowledgeable third party to the property using the telephone.

001.26 Office review is any review that is conducted in the office and requires no field work. Included are record reviews, questionnaires and telephone interviews.

001.27 Field review is any inspection and review that is conducted outside the office and occurs at or on the location of the property. Included are off-site inspections and reviews, on-site inspections and reviews, interior inspections, and sometimes listing and measuring.

001.28 Off-site inspection and review, also known as a drive by review is conducted to inspect, review and verify the listing of all of the general property characteristics that are visible without ingressing the property.

001.29 On-site inspection and review covers the same purpose as the off-site inspection and review, but includes ingress to the property, a closer inspection and typically requires the permission of the owner and involves an interview.

001.30 Interior inspection includes all of the detail of the on-site inspection and review but adds the process of entering the buildings to inspect the interior details and condition of the interior components.

001.31 Measuring is an on-site data gathering process that involves the act of taking the actual measurement of the perimeter of all buildings on a parcel. This may be done in addition to either an on-site inspection or an interior inspection. It adds the element of gathering or confirming the dimensional details of the buildings on a parcel to either of the mentioned review processes.

001.32 Listing is an on-site data gathering process that involves any technique necessary to gather all of the specific data necessary for the appraisal of each individual parcel. This process may incorporate the interior inspection process or the measuring process, but may also be a verification of the captive data presently in the record file.

001.33 Inspect means to look at carefully or to examine critically.

001.34 Inspection is the active process of inspecting or looking at, or examining critically. For the purpose of this regulation, it shall mean that the property is actually viewed by the person inspecting the property.

001.34A Exceptions may be made if there are other technological tools that will provide superior information using a comparative method of discovering changes to the property. Examples may be:

001.34A(1) Current aerial photos depicting land use of each agricultural parcel;

001.34A(2) Current land use maps maintained by the FSA that are certified by the owner or operator of each agricultural parcel; and

001.34A(3) Current (less than 2 years old), high resolution aerial photos of buildings on agricultural parcels, taken to discover changes by comparing them to prior similarly taken photos.

001.34B In each case, the county assessor must be able to make a side by side comparison to a photo or map section of the same parcel taken at an earlier time. This process may be used to discover changes if the assessor determines that this is the most efficient process to do so. Any changes to farm buildings that are discovered in this manner must be inspected on-site as a follow up of the discovery process. Residential improvements on agricultural parcels must be inspected in the same manner as residential improvements on residential or recreational parcels.

001.34C The inspection process shall take place within view of the property being inspected. The inspector shall conduct an off-site, an on-site or an interior inspection. The degree of the inspection shall be generally determined first by the assessor and described in the plan of assessment, and second by the findings of the inspector during the course of the inspection. The assessor shall annually determine the classes or subclasses to be inspected, and the minimum method of inspection and the inspector shall determine if more intensive inspection is necessary to gather the required improvement information based on observations made at the location of the parcel.

001.34D Systematic inspection and review is the orderly, methodical and planned process of inspecting and reviewing all parcels within a defined classification structure. The process shall include all classes and subclasses of taxable real property in the county and shall be conducted in such a way that orderly progress is made each year of the inspection and review cycle, so that the process is evenly distributed throughout the defined cycle.

(Neb. Rev. Stat. Sections 77-112, R.R.S. 2003 and Neb. Rev. Stat. Sections 77-702, 77-1301.01 and 77-1311-03, R.S. Supp., 2007.)

REG-50-002 THE APPRAISAL PROCESS

The appraisal process shall contain, but not be limited to, the following steps:

002.01 Definition of the problem: The assessor shall, through the use of assessment/sales ratios, coefficients of dispersion, price related differential, confidence intervals, as well as on-going cost analysis, income analysis, and market analysis, conduct and document an annual review of the quality of the appraisal of all classes and subclasses of land and improvements within their jurisdiction.

002.01A. As a result of this study, the assessor shall determine the appraisal needs of the county for the following year and so inform the county board and the Department of Revenue, Property Assessment Division, using the Three (3) Year Plan of Assessment.

002.01B Additionally, the assessor shall initiate a process whereby each parcel of real property is inspected and reviewed within a six (6) year cycle. The purpose of the inspection and review process is to insure that the county assessment records are kept current and to assure that all changes to improvements, unreported improvements or changes in land use are systematically discovered and assessed. The inspection process shall be done in such a manner that logical classes are examined together. When a class or subclass has

been inspected, the values of all of the parcels in that class may be updated, adjusted or completely reappraised. In the intervening years the remaining classes and subclasses that are not subject to inspection, shall be analyzed and if necessary, adjusted based on market analysis and indicators of the level of value, if there is sufficient data within the market to justify and adjustment, and if measurable change took place among the classes or subclasses that were subject to inspection and review.

002.01C The ongoing appraisal process described in 002.01A and the systematic inspection and review process described in 002.01B shall be conducted in such a way as to accomplish both objectives. The ongoing requirement of reappraisal is now joined with the requirement to systematically inspect and review property.

002.02 Preliminary Survey and Planning: The assessor shall identify and document all of the resources necessary for the completion of the appraisal project, which include but are not limited to: development of appraisal specifications, obtaining the necessary materials, and hiring, training, or contracting for any personnel necessary to accomplish the needed appraisal. Time requirements, training, and budget requirements must all be defined and scheduled. If contractual arrangements are necessary, the contract must comply with REG-50-004, Requirement for Appraisal Contracts.

002.03 Data Collection and Analysis:

002.03A Data Collection is a process by which data relevant to the appraisal is accumulated; the following paragraphs illustrate acceptable methods of data collection:

002.03A(1) Interview, or questionnaires may be used to gather data about replacement cost, age of the property, sale price, circumstances and financing of sold properties, and income or expense data for properties which are rented.

002.03A(2) Field visit and inspection of the actual property amenities shall be the primary method used to obtain, update, and confirm specific data.

002.03A(3) Existing property record files shall be used only to gather general data. Every property appraised or reviewed shall be visited and specific data gathered shall be accurate, current, and relevant at the date of the appraisal.

002.03A(4) Research of public records, utility records, and government publications shall be used only to gather general data.

002.03B Data Analysis is a process which organizes, develops, and displays the data in such a manner that the three (3) approaches to value are supported, illustrated and defended. This analysis shall be done in such a manner that it may be presented in a narrative report explaining the details of the appraisal project.

002.03B(1) The analysis of the sales comparison approach shall include, but is not limited to: the development and substantiation of market based values expressed in appropriate units of comparison; the development and substantiation of any market adjustments to be used; the development and substantiation of gross rent multipliers which are extracted from and used for market comparison purposes; and development and substantiation of benchmark properties for comparison purposes, if insufficient numbers of direct sales occurred.

002.03B(2) The analysis of the cost approach shall include, but not be limited to: the proper use of the prescribed cost manuals; the application of proper update factors, examination of and comparison to available historical costs; and the development and substantiation of the various forms of depreciation which can be shown to exist through a study of the local market.

002.03B(3) The analysis of the income approach shall include, but is not limited to: development and substantiation of the levels of economic rent, vacancy and collection losses, and typical expenses; and any discount, tax or recapture rate to be used in an income approach to value.

002.04 Application of the data: This process shall include a processing phase, a review phase, and preliminary valuation phase for each parcel approved. The processing phase consists of displaying all of the relevant data in an organized fashion for each individual parcel on appropriate worksheets and record files. The review phase consists of examining each parcel and the data relevant to that parcel, either in the office or at the site of the property, to prepare to make an estimate of value. The preliminary valuation is prepared for each individual parcel, using all of the applicable approaches to value, and calculated on the worksheets.

002.04A Land Valuation: Land shall be valued as though vacant and available for development to its highest and best use. The land valuation shall be conducted in the manner described in the sales comparison (market) approach. When insufficient market data is available, an income approach such as a land residual technique shall be conducted to supplement the data supporting value conclusions.

002.04B The application of sales comparison approach shall include, but is not limited to, the comparison and valuation on a unit basis of comparison of the properties which have not sold but are otherwise physically, functionally, and economically similar. Any necessary adjustments to that base value must be made for dissimilarities. It shall include an on-site review to assure that all variables and adjustments have been properly considered and that equalization among similar properties has been accomplished within the direct sales comparison approach. The final step is the calculation of a value indicated by the application of the direct sales comparison approach.

002.04C The application of the cost approach shall include, but is not limited to, the development of a replacement cost new utilizing the prescribed manuals, and the mathematical application of all applicable forms of depreciation developed in the data analysis portion of the appraisal. It shall include an on-site review to assure that all variables have been properly considered and that equalization with similar properties has been accomplished within the cost approach. The final step is the calculation of a value indicated by the application of the cost approach.

002.04D The application of the income approach shall include, but is not limited to, making a comparison of properties or portions of properties with known rental levels, expenses, and lease terms, to properties which are physically, functionally, and economically similar but are not presently rented or at economic rent. An estimate of economic rent is made, using appropriate rates, multipliers, and adjustments, which were developed in the data analysis portion of the appraisal. It shall include an on-site review to assure that all variables and adjustments have been properly considered and that equalization with similar properties has been accomplished within the income approach. The final step is the calculation of a value indicated by the application of the income approach.

002.05 In correlation and reconciliation of final values the assessor or appraiser shall examine the preliminary value made in each of three (3) approaches to value, for every individual parcel, and shall select the most logical, best supported, and most defensible indication of value based upon the following:

002.05A The amount and reliability of the data collected in each approach to value.

002.05B The inherent strengths and weaknesses of each approach to value.

002.05C The relevancy of each approach to the subject of the appraisal.

002.05D The ultimate selection of a predominant approach for use in a mass appraisal should be discussed and defended in the narrative appraisal report and any deviations from the predominant narrative conclusions should be noted and briefly discussed on an individual basis.

002.06 Final Value Estimate: The assessor or appraiser shall calculate and present a final value estimate at the end of the correlation and reconciliation process. The final value estimate indicates land value, improvement value, and the total value. When making the final value estimate, care must be taken to assure that all of the criteria required in Neb. Rev. Stat. Section 77-112 have been considered and that the appraised value has been equalized when compared to similar properties.

002.07 The narrative appraisal report: The assessor or appraiser shall prepare a narrative appraisal report as a part of the appraisal process. This report shall include but not be limited to the information contained in REG-50-001. The property record card shall be part of the summary report for the individual property.

002.08 The appraisal process set forth in REG-50-002 and the assessment requirements set forth in REG-50-003 must be adhered to regardless of the source of the appraisal. The assessor is responsible for the implementation of these regulations regardless of the source of the appraisal service; whether the appraiser is the assessor, a member of the assessor's staff, a contracted or shared employee, or an independent contractor, the requirement is the same.

(Neb. Rev. Stat. Sections 77-702, 77-1301.01, 77-1311 and 77-1311.03, R.S. Supp., 2007.)

REG-50-003 APPRAISAL REQUIREMENTS

003.01 Each county shall regularly conduct appraisals of all or defined parts of the taxable real property within the jurisdiction of the county for the purpose of achieving uniform and proportionate valuations and assuring that the property record data accurately reflects the property. On or before March 19 of each year, each county assessor shall conduct a systematic inspection and review by class or subclass of a portion of the taxable real property parcels in the county for the purpose of achieving uniform and proportionate valuations and assuring that the real property record data accurately reflects the property. The county assessor shall adjust the value of all other taxable real property parcels by class or subclass in the county so that the value of all real property is uniform and proportionate. The county assessor shall determine the portion to be inspected and reviewed each year to assure that all parcels of real property in the county have been inspected and reviewed no less frequently than every six years.

003.02 Appraisal specifications shall be prepared by the assessor prior to the beginning of each assessment cycle. The specifications shall state the scope of the proposed appraisal project, the assessment sales ratio, price related differential, coefficient of dispersion and any other useful statistical measures to report the condition of the existing appraisal of each property type or types to be appraised. The specifications shall set forth a range of acceptable statistics to be reported at the completion of the appraisal project. The specifications shall be prepared in such a manner to describe the appraisal requirements in terms of the appraisal process set forth in this regulation. The specifications shall be presented to any potential appraisal contractor prior to bidding on an appraisal contract.

003.03 A narrative appraisal report shall be required for any project involving mass appraisal, appraisal update, or appraisal maintenance as required by any county. The report shall meet the qualifications set out in REG-50-001.20 and shall document that every effort has been made by the assessor to accomplish equalization.

003.04 It shall be the responsibility of the assessor to inform the Department of Revenue, Property Assessment Division of any intention by the county to appraise real property. A copy of the appraisal specifications, as well as an outline of the proposed project, shall be provided to the Department of Revenue, Property Assessment Division in the Three (3) Year Plan of Assessment.

003.05 Appraisal of real property in any county shall be in compliance with law and regulations of the Tax Commissioner and reflect the following:

003.05A A complete and thorough on-site inspection shall be made of each parcel and all improvements. Descriptive information shall be recorded in a property record file.

003.05B All land and improvements subject to the appraisal shall be valued at actual value.

003.05C No appraisal shall rely in any manner on the value established for a previous tax year.

003.05D A fixed percentage or weighting of the three (3) standard approaches to value shall not be used to establish actual value.

003.05E The actual value determined by the appraisal shall be as of the date of assessment as required by law.

003.05F The assessor shall have the skill or shall employ the staff who have the skill, or shall contract with an appraiser, consultant or appraisal firm having the skill to understand and fully implement all provisions of the appraisal regulation and subsequent directives.

003.05G Rural improvements shall be valued in the same manner as urban improvements. They shall be identified and valuation methods shall be discussed in the narrative appraisal report.

003.05H Improvements on leased land are real property and shall be appraised using the same methods as like improvements on other real property.

003.05I A property record file shall be made for each parcel pursuant to REG-10-004.

003.06 An appraisal update of real property in any county shall be in compliance with the law and regulations of the Tax Commissioner and reflect the following:

003.06A All land and improvements under appraisal update shall be valued at actual value.

003.06B A fixed percentage of weighting of the three (3) standard approaches to value shall not be used to establish actual value.

003.06C The actual value determined by the update shall be as of the date of assessment as required by law.

003.06D An update shall not be used to arrive at actual value if the general or specific data derived from the last appraisal of a defined class or subclass of property is outdated, contains inaccurate data of any kind, or is based on incorrect appraisal techniques. In such case, an appraisal of the defined class or subclass shall be undertaken to arrive at actual value, rather than an update.

003.07 Valuations resulting from an appraisal maintenance project, also known as pick up work, shall be equalized with comparable properties pursuant to the appraisal or appraisal update last performed in the county.

003.08 Informal Hearings. The assessor or appraiser may prior to March 19 of the year the appraisal is implemented, conduct informal hearings to solicit from the property owner or lessee that is responsible for paying the property taxes pursuant to Neb. Rev. Stat. Section 77-202.11, any undiscovered data which is relevant to the valuation of the individual property being appraised or to the appraisal in general. To facilitate the informal hearing process, an assessor may choose to employ a referee or referees to act in behalf of the assessor and/or appraiser in fulfilling the requirements of this regulation.

003.08A If informal hearings are utilized, the property owner or lessee that is responsible for paying the property taxes pursuant to Neb. Rev. Stat. Section 77-202.11 shall be sent a notice reporting the estimate of final value.

003.08B The assessor or appraiser shall hear the informal valuation protests, collect additional data provided and defend or adjust or recommend adjustments to the proposed valuations.

003.08C The assessor or appraiser shall analyze the impact of any adjustments that are recommended as a result of the informal hearings and extend the adjustments to similar properties throughout the jurisdiction of the appraisal to assure that equalization is attained. A supplemental narrative report amending the original narrative appraisal report for the project shall be prepared and added to the report. The supplemental report (a restricted report) shall describe the changes made due to the hearings and further describe general changes made to assure that equalization was maintained.

003.09 The assessor shall be available to the county board of equalization to defend the appraisal and assist the board in the orderly conduct of the formal hearings.

003.10 The appraiser shall be available to the county board of equalization, at their request, to defend the appraisal and provide clarification and expert advice.

(Neb. Rev. Stat. Sections 77-202.11, 77-702, 77-1301.01 and 77-1311.03, R.S. Supp., 2007.)

REG-50-004 REQUIREMENTS FOR APPRAISAL CONTRACTS

004.01 Preference shall be given to individuals or appraisal firms with personnel having the knowledge, experience and ability to competently complete appraisals for ad valorem tax purposes when awarding any appraisal contract.

004.02 An appraisal firm desiring to contract for appraisal services with any county in this state shall meet the qualifications required by this regulation.

004.03 All proposals by appraisal firms for appraisal contracts shall be submitted in writing to the county board. If the appraisal firm will be providing services that are alternative in nature to the county's specifications, the firm shall specifically state to which terms they are providing alternative services.

004.04 The appraisal firm shall be an equal opportunity employer.

004.05 The appraisal firm, or its duly authorized representative, shall certify in writing to the county board that they have read and understood, and are able and willing to comply with all of the requirements of the appraisal regulations prior to submitting any bid proposal for any appraisal.

004.06 The appraisal firm shall include the resumes of the employee or employees supervising the project. The proposal shall show and the resume confirm that:

004.06A The full time and exclusive control of the project shall be under the jurisdiction of a supervisor who shall have not less than five years of practical appraisal experience involving extensive appraisals of the types of property to be appraised. The supervisor shall also be a member in good standing of a recognized professional appraisal organization which requires educational standards, passage of a comprehensive examination and a demonstration of ability to perform an appraisal as qualifications for membership, or, in lieu of these designations, comparable education and practical appraisal experience to enable him or her to perform at that level of competence.

004.06B All work involving the exercise of appraisal judgement shall be performed by appraisers who are experienced in the particular type of appraisal being conducted.

004.07 All appraisal contracts, either for an appraisal or an appraisal update, shall be submitted to the Tax Commissioner for approval. Until approved, the contract is not binding on either party. A copy of the final appraisal specifications and signed appraisal contract shall be on file with the Tax Commissioner.

004.08 The contract shall contain:

004.08A A provision requiring proof of bondability of the appraiser or appraisal firm. The county board may require a performance bond in favor of the county in an amount determined by the county board. The performance bond shall be approved by the county attorney.

004.08B A provision specifying a completion date. This date shall not be more than twenty-four (24) months after the date of execution of the contract. A provision shall be included for liquidated damages for each day of noncompletion at a rate to be determined by the contracting parties and shall be incorporated as part of the contract.

004.08C A provision whereby the appraisal firm assumes liability connected with performance of its contract. The amount of the general liability insurance shall be set by the county with minimum amounts of fifty thousand (\$50,000.00) dollars each person, one hundred thousand (\$100,000.00) dollars each accident for bodily injury, and twenty-five thousand (\$25,000.00) dollars each property damage accident. The insurer shall be identified.

004.08D A provision whereby the appraisal firm agrees to comply with all state and federal statutes and regulations related to taxation, workmen's compensation insurance, and unemployment insurance.

004.08E A provision whereby the appraisal firm shall not be liable for damages by reason of strike, explosion, war, fire, act of God, or any act or failure to act by officials of the county or state which might delay or stop progress of the work. Provisions shall be made for the renegotiation of the completion date on the happening of any of the above contingencies.

004.08F A provision whereby the appraisal firm shall not assign or transfer its contract nor any interest therein without first obtaining written approval from the county and the Tax Commissioner.

004.08G A provision whereby no change in the contract will be permitted except by written agreement of the appraisal firm, the county, and the Tax commissioner.

004.08H A provision whereby the contracting parties determines who shall furnish office space and furniture.

004.08I A provision whereby it is specifically identified that all manuals and guides prescribed by the Tax Commissioner shall be followed by the appraisal firm.

004.08J A provision whereby the appraisal firm shall be required to issue proposed valuation changes and be available to hold informal meetings with property owners or lessees that are responsible for paying the property taxes pursuant to Neb. Rev. Stat. Section 77-202.11, regarding the proposed valuations.

004.08K A provision whereby the responsibility of issuing the formal notice of valuation change for an appraisal or update shall be defined.

004.09 Appraisal specifications shall be required prior to undertaking or contracting for an appraisal or appraisal update project of all real property, by an entire class or subclass, in any county.

004.10 The appraisal firm shall defend its resulting values if protests are filed with the county board of equalization or appeals are filed with the Tax Equalization and Review Commission pursuant to Neb. Rev. Stat., Section 77-5013.

004.11 The appraisal firm shall supply as many copies of the narrative appraisal report to the county as may be agreed upon, which, together with all appraisal files, records, maps, or other data used in the appraisal shall be and remain the property of the county.

(Neb. Rev. Stat. Section, 77-1502.01, R.R.S. 2003, Neb. Rev. Stat. Sections 77-1502, 77-1504.01 and 77-5013, R.S. Supp., 2006 and Neb. Rev. Stat. Sections 77-202.11, 77-702, 77-1301.01, 77-1311, 77-1311.03 and 77-1504, R.S. Supp., 2007.)